

**HUD's FHA Sets New Records in Home Loans in Oregon and SW Washington,  
Exceeding For the First Time  
\$2 BILLION in Total Loan Activity,  
\$1.2 Billion in First Time Homebuyer Loans,  
\$215 Million in Minority First Time Homebuyer Loans**

HUD's 68-year young Federal Housing Administration (FHA) home loan program broke the \$2 billion mark for the first time ever by guaranteeing more than \$2.2 Billion in home loans in Oregon and SW Washington. (Clark, Klicitat, and Skamania counties).

According to Oregon HUD Field Office Director Tom Cusack, who has served in the Oregon Office for more than 20 years, while breaking the \$2 Billion mark impressed him, the volume of loans made to first time homebuyers and minority first time homebuyers in 2002 was even more impressive. Cusack said:

*" This year we insured \$ 1.2 BILLION in loans made by private lenders for more than 9,300 first time homebuyers.*

*The \$215 million in loans we guaranteed for more than 1,650 minority first time homebuyers, continued to demonstrate HUD's leadership in service to minority homebuyers, a key priority for President Bush, and HUD Secretary Mel Martinez. "*

Cusack said that the FHA minority first time homebuyer accomplishment was especially critical in Oregon. First he said that *first time* minority homebuyer loans, not just minority loans, are essential to increase minority homeownership *rates*. Second, he said that in Oregon both Hispanic and African American homeownership gaps with whites *increased* during the 1990's so that these gaps are now wider than comparable national gaps. Finally, he pointed out the economic benefits of minority homeownership. He said that a recent HUD report found that achievement of the President's goal of 5.5 million additional minority homebuyers this decade would provide a \$256 BILLION economic impact nationally and that 1% of the national impact attributed to Oregon would provide a \$2.56 BILLION economic boost to Oregon this decade.

" A recent HUD report found that achievement of the President's goal of 5.5 additional minority homebuyers this decade would provide a national \$256 BILLION economic impact, this would mean that **1% of the national impact would provide a \$2.56 BILLION economic boost to Oregon.**"

To put the jump in HUD's FHA loan activity and minority first time loans in perspective, Cusack provided data from 10 years ago, when he was the Program Director for the FHA loan program for the Oregon HUD Office. According to Cusack, while the 2002 loan volume was more than **double** the 8,886 loans made in 1992 the number of loans to minority first time home buyers was **5.5 times** the 292 loans made in 1992.

Compared to 2001, HUD's total FHA activity also increased by more than \$500 million going from \$1.7 Billion (13,805 loans) in loan guarantees to \$2.2 Billion (17,702 loans); first time homebuyers increased by more than 900 from 8,406 to 9,376; and the numbers of minority first time homebuyers also increased by 4% from 1,595 to 1,656.

According to Cusack, there are two key points for public understanding about the operations of HUD FHA loan program

**1. HUD's FHA loan program delivers services through the private sector.**

100% of the appraisals, inspections, and loan decisions from the time the loan application is taken through loan closing are made by private sector lenders and other real estate professionals.

**2. HUD's FHA is Self Supporting, Relying on User Fees and NOT Appropriations.**

Buyers pay an insurance fee when they get a FHA loan, and this fee covers 100% of costs of program operations. In fact, positive loan experience for the FHA loan program has meant that FHA reserves for several years have been used in federal budgeting to *reduce the overall federal deficit*.

Because of the successful integration of the private sector and the positive self-supporting operation of the

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Oregon HUD Field  
Office Director*

FHA loan program, HUD Oregon Office Director Cusack had this to say about their history and accomplishments:

*"HUD's FHA loan program is one of the most successful government programs of all time. There aren't too many government like programs like HUD's FHA that have been in operation for more than 65 years, and have been successful 95% or more of the time."*

*Use of the private sector to deliver the FHA loan program and constant innovation has kept our program as relevant to American families as it was when it triggered the increase in American homeownership rates that began with its inception in the 1930's."*

While emphasizing the record shattering level of HUD's FHA single-family loan programs in Oregon and SW Washington, Cusack also noted that these programs are only a part of HUD's activities in Oregon. He said that HUD lead all agencies in the funding of housing and community development programs used to by local communities and by low income renters, providing more than \$370 million annually in grants and rental assistance in Oregon and SW Washington. (A summary of all 2001 HUD funding in Oregon and SW Washington can be found at the Oregon HUD web site at this URL:

<http://www.hud.gov/local/or/community/fundingreport2001.cfm> ).

*(A one page detailed breakout of 2002 HUD FHA loan activity by key counties and cities in Oregon and SW Washington follows on the next page).*

**2002: HUD's FHA in Oregon and SW Washington Sets New Records: More than 17,500+ Total Loans, \$2.2 BILLION, More than 9,000 First Time Homebuyer Loans, \$1.2 Billion; 1,600 Minority First Time Homebuyer Loans, \$215 Million**

	Area	Oregon and SW Washinton	OR state	WA state <sup>1.</sup>		Corvallis	Eugene	Medford	Salem
All FHA Loans <sup>2</sup>	#	17,702	14,470	3,232		60	709	316	1,060
	\$	\$ 2,279,169,163	\$ 1,847,381,429	\$ 431,787,734		\$ 7,132,084	\$ 83,920,671	\$ 36,028,747	\$ 117,986,203
All Purchase Loans	#	11,437	9,466	1,971		48	431	200	717
	\$	\$ 1,481,627,896	\$ 1,215,382,043	\$ 266,245,853		\$ 5,739,421	\$ 51,299,463	\$ 23,530,390	\$ 80,422,687
All First Time Homebuyer (FTHB) loans	#	9,378	7,828	1,550		38	354	179	611
	\$	\$ 1,209,433,855	\$ 1,001,790,572	\$ 207,643,283		\$ 4,465,901	\$ 42,010,872	\$ 21,006,469	\$ 68,078,022
ALL MINORITY <sup>3.</sup> First Time Homebuyer (FTHB) Loans	#	1,655	1,482	173		9	26	27	187
	\$	\$ 214,931,825	\$ 186,486,485	\$ 23,036,340		\$ 1,017,846	\$ 3,040,110	\$ 3,058,002	\$ 20,606,743
African American FTHB	#	133	105	28		-	1	-	5
	\$	\$ 18,353,901	\$ 14,503,664	\$ 3,850,237		\$ -	\$ 145,614	\$ -	\$ 623,118
Am Ind/Alaskan FTHB	#	65	51	14		-	1	2	3
	\$	\$ 7,947,366	\$ 601,662	\$ 1,936,704		\$ -	\$ 118,146	\$ 252,832	\$ 338,451
Asian/Pacific Islander FTHB	#	203	164	39		2	6	2	8
	\$	\$ 28,123,395	\$ 22,499,850	\$ 5,623,545		\$ 229,815	\$ 753,056	\$ 233,646	\$ 915,326
Hispanic FTHB	#	1,254	1,162	92		7	18	23	171
	\$	\$ 160,507,163	\$ 148,881,309	\$ 11,625,854		\$ 788,031	\$ 2,023,294	\$ 2,571,524	\$ 18,729,848
METRO PORTLAND		4 County Metro Portland	Multnomah	Clackamas	Washington	Clark	Beaverton	Gresham	Portland
All FHA Loans	#	10,903	3,751	1,401	2,707	3,044	844	394	3,343
	\$	\$ 1,525,604,971	\$ 506,217,333	\$ 205,239,314	\$ 402,656,657	\$ 411,491,667	\$ 125,231,746	\$ 56,992,094	\$ 448,335,292
All Purchase Loans	#	6,877	2,462	885	1,690	1,840	547	247	2,188
	\$	\$ 973,131,834	\$ 335,731,547	\$ 130,409,396	\$ 254,961,227	\$ 252,029,664	\$ 82,507,709	\$ 35,779,271	\$ 296,222,249
All FTHB loans	#	5,655	2,082	733	1,392	1,448	453	197	1,880
	\$	\$ 795,652,838	\$ 282,460,922	\$ 107,018,580	\$ 209,608,799	\$ 196,564,537	\$ 68,029,500	\$ 28,252,267	\$ 253,853,284
ALL MINORITY <sup>2.</sup> First Time Homebuyer (FTHB) Loans	#	990	416	77	331	166	93	46	366
	\$	\$ 141,193,578	\$ 56,466,246	\$ 11,287,116	\$ 51,096,284	\$ 22,343,932	\$ 14,403,089	\$ 6,726,849	\$ 49,105,628
African American FTHB	#	118	74	4	12	28	4	5	69
	\$	\$ 16,565,376	\$ 10,272,489	\$ 591,954	\$ 1,850,696	\$ 3,850,237	\$ 581,443	\$ 690,668	\$ 9,570,908
Am Ind/Alaskan FTHB	#	33	11	3	5	14	1	-	11
	\$	\$ 4,657,251	\$ 1,511,078	\$ 433,303	\$ 776,166	\$ 1,936,704	\$ 152,401	\$ -	\$ 1,475,375
Asian/Pacific Islander FTHB	#	161	59	10	55	37	27	3	56
	\$	\$ 23,418,030	\$ 8,202,854	\$ 1,484,661	\$ 8,304,863	\$ 5,425,652	\$ 4,094,855	\$ 392,997	\$ 7,731,839
Hispanic FTHB	#	678	272	60	259	87	61	38	230
	\$	\$ 96,552,921	\$ 36,479,825	\$ 8,777,198	\$ 40,164,559	\$ 11,131,339	\$ 9,574,390	\$ 5,643,184	\$ 30,327,506

Notes: 1. Clark, Klicitat, and Skamania counties in SW Washington 2. Excludes 300+ Home Equity Conversion loans, if those included loan total more than 18,000. 3. "All Minority FTHB" includes only first time homebuyers in the four minority groups shown. Inclusion of "other" minority category and all loans, not just first time homebuyers, would increase these numbers.